

B. Oakley memo - retyped as
Memo to President: 21 Jun 75:wh

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MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

SUBJECT: Summary of CIA Research Study:
The Arab World in the 1980's

The attached CIA memorandum (Tab A) examines the further trends in Arab world (from Morocco and Algeria in the West to Saudi Arabia and Iraq in the East). It concludes that the wave of extreme ideology and emotionalism may have passed. This wave characterized the hyper-nationalist period from the end of World War II when many Arab countries became independent until roughly 1970 when changes of leadership in Egypt, Syria and Iraq introduced a new look. Since then, the importance of ideology and particular political systems has diminished with a concomitant rise in pragmatism and concentration on social and economic development. One aspect of this new approach has been a sharp reduction in intra-Arab rivalries; another has been a greater Arab willingness to consider a realistic settlement with Israel. Libya and Iraq are notable exceptions, while Saudi Arabia and Egypt are identified as the most influential Arab countries for the next decade.

The CIA study expects this favorable trend to continue but postulates four broad ranges of contingencies which will be critical in determining the evolution of the Arab world over the next decade or so, any one of which could throw the area back into another period of tumult and volatility:

- A. The course of the Arab-Israeli dispute toward settlement or another round of hostilities: the latter would tend to radicalize Arab regimes.
- B. The evolution of relations between the Arab oil producers and their principal customers in the industrialized world: a confrontation caused by either side could lead to a boycott and eventual military action against the producers with a radical, anti US swing by the Arabs.
- C. Internal stability (or disruption) in principal Arab countries -- particularly in Egypt and Saudi Arabia -- and to a lesser degree in others as well: the greatest threat is a radical coup in either Egypt or Saudi Arabia.

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D. Developments in the relations of the Arab Persian Gulf States and non-Arab Iran: a potential for power struggle exists among the major powers (Saudi Arabia, Iraq, Iran) while the wealth, newness and small size of the others makes them vulnerable to internal upheaval, all of which could impact on the politics and oil policies of this vital area.

The overall conclusions of the study are very sound, although it is uneven in spots, treats some problems too lightly (e.g. the strength of Algerian and OPEC economic ideology), and others too simplistically (e.g. Arab-Israeli scenarios). The four contingencies are clearly the points on which our principal attention and energies should be focussed in the years ahead, since they will be the major determinants in whether or not vital US interests in the Middle East will be further advanced or badly damaged.

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